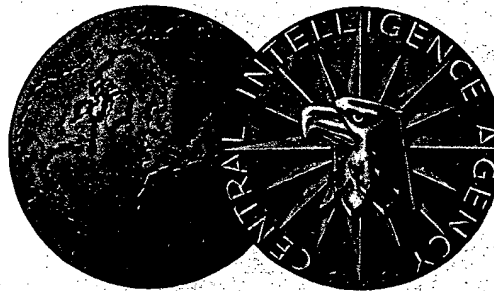


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WEEKLY SUMMARY



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E A S T E R N E U R O P E

Communist Dictatorships The Kremlin apparently feels that the Communists of Bulgaria, Rumania, and Hungary are strong enough to dispense with the fiction that these countries are democratic states. Communist leaders in the three Satellites have recently declared that the Soviet-sponsored regimes are now "dictatorships of the proletariat." Matyas Rakosi, Secretary General of the Hungarian Communist Party, has also stated that these "dictatorships" represent one type of government necessary to the transition from a capitalist to a socialist state. The frank admission that the Communist Party is the controlling power in Hungary indicates the early establishment of a National Front government, another basic type of Soviet regime which has already appeared in Bulgaria and Rumania.

Satellite Economy The formation of the Council of Mutual Economic Assistance by the USSR at this time indicates that it is a defensive measure designed to offset the successes of the European recovery program. This Soviet-directed Council will attempt to coordinate further the economies of Poland, Hungary, Rumania, Czechoslovakia, and Bulgaria as a major step toward their eventual integration with the economy of the USSR. Although this latest Soviet move is undoubtedly part of a long-range plan, the immediate Kremlin objectives are to counterbalance the adverse effects on eastern European morale of the relatively rapid economic recovery in western Europe and to prevent the spread of nationalistic-economic heresies, such as Tito's. The Council's formation may have some propaganda value by renewing hope within the satellite countries that mutual cooperation may improve the low standard of living. The Council will result in some improvements in the Satellite economies by providing for more effective planning and more efficient distribution. Despite the fiction of economic equality, the Council's formation will inevitably result in tightened control of the eastern European economies by the Kremlin.

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